

### Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	172.90	0.25	9.00	182.15	0.25	9.00	182.15	182.15
Personal Services	7,759,437	1,142,037	699,290	9,600,764	1,185,715	1,090,545	10,035,697	19,636,461
Operating Expenses	8,579,425	8,156,122	363,211	17,098,758	8,235,424	363,166	17,178,015	34,276,773
Equipment	207,305	100,000	37,000	344,305	100,000	0	307,305	651,610
Grants	937,260	210,000	265,000	1,412,260	210,000	265,000	1,412,260	2,824,520
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
<b>Total Costs</b>	<b>\$17,485,707</b>	<b>\$9,608,159</b>	<b>\$1,364,501</b>	<b>\$28,458,367</b>	<b>\$9,731,139</b>	<b>\$1,718,711</b>	<b>\$28,935,557</b>	<b>\$57,393,924</b>
General Fund	4,662,368	293,364	485,445	5,441,177	300,618	563,525	5,526,511	10,967,688
State/Other Special	789,003	335,878	316,061	1,440,942	339,997	341,203	1,470,203	2,911,145
Federal Special	12,034,336	8,978,917	562,995	21,576,248	9,090,524	813,983	21,938,843	43,515,091
<b>Total Funds</b>	<b>\$17,485,707</b>	<b>\$9,608,159</b>	<b>\$1,364,501</b>	<b>\$28,458,367</b>	<b>\$9,731,139</b>	<b>\$1,718,711</b>	<b>\$28,935,557</b>	<b>\$57,393,924</b>

### Agency Description

The Department of Military Affairs, administered by the Adjutant General, oversees activities of the Air and Army National Guard, Disaster and Emergency Services, and the National Guard (NG) Youth Challenge program. The Montana Board of Veterans' Affairs is administratively attached to the department. The department, through the Army and Air National Guard, manages a joint federal-state program to maintain trained and equipped military organizations in readiness for state and national mobilizations to active duty.

The Disaster and Emergency Services Division plans for and coordinates state responses in disaster and emergency situations. The Board of Veterans' Affairs manages and cooperates with state and federal agencies in providing statewide services for discharged veterans and their families, and is responsible for the two state veterans' cemeteries. The NG Youth Challenge program provides a military-modeled youth intervention program with a goal of improving the life coping skills and employability of high school dropouts.

### Agency Highlights

Department of Military Affairs Major Budget Highlights	
♦	The largest funding source for this department is from the Air and Army National Guard at 70 percent of the budget, or \$40.0 million over the 2009 biennium
♦	The legislature approved personal services and operating costs for 9.25 additional FTE
♦	The legislature approved a new educational outreach program, STARBASE, funded 100 percent with federal funds
♦	The pay plan increase (HB 13) cost \$992,000 over the biennium, of which 65 percent, or \$648,000, is funded from federal funds
♦	The legislature provided state funding to continue to efforts to develop and maintain regional hazardous material emergency response teams in the state

### Summary of Legislative Action

The legislature approved a biennial budget of \$57.4 million. This included present law adjustments of \$19.3 million and new proposals totaling \$3.1 million. The major increases occurring from new proposals include:

- State funds to sustain regional hazardous materials response teams -- \$580,000
- Federal funds to implement a new K-12 educational outreach program called STARBASE -- \$500,000
- State special revenue to fund maintenance activities and purchases at the state veterans' cemeteries -- \$430,000
- Two additional veterans' service officer positions to serve Native American veterans -- \$139,000
- Funding for information technology services and hardware -- \$118,000

Other major budgetary issues included:

- Educators in the Challenge Program now qualify for quality educator payments, per passage of SB 235 by the 2007 legislature. Approximately \$15,000 annually was added to the base budget for this purpose
- Federal funds increase \$15 million over the biennium for increased maintenance and training and converting installation security to private security firms

### Funding

The following table summarizes funding for the agency, by program and source. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2009 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Division	\$ 1,188,617	\$ -	\$ 1,018,219	\$ 2,206,836	3.85%
02 Challenge Program	2,540,396	-	3,916,914	6,457,310	11.25%
03 Scholarship Program	500,000	-	-	500,000	0.87%
12 Army National Guard Pgm	2,358,676	24,000	25,772,271	28,154,947	49.06%
13 Air National Guard Pgm	766,833	-	9,349,790	10,116,623	17.63%
21 Disaster & Emergency Services	2,178,856	668,816	3,457,897	6,305,569	10.99%
31 Veterans Affairs Program	1,434,310	2,218,329	-	3,652,639	6.36%
Grand Total	<u>\$ 10,967,688</u>	<u>\$ 2,911,145</u>	<u>\$ 43,515,091</u>	<u>\$ 57,393,924</u>	100.00%

### Other Legislation

House Bill 179 – This bill transfers \$1.0 million of general fund to a state special revenue fund, established for the purpose of creating a Montana military family relief fund. All money transferred to the fund by the legislature, all monetary contributions, gifts, grants, etc., must be deposited to the state special revenue account and is statutorily appropriated to the Department of Military Affairs for relief grants to National Guard and Reserve members or family members.

House Bill 759 -- This bill makes the money in the Fish, Wildlife, and Parks (FWP) special revenue account for search and rescue remain available for reimbursement of search and rescue missions and to provide matching funds to reimburse counties for search and rescue training and equipment costs. Prior to passage of this legislation, funds unspent after two years in the FWP special revenue account for search and rescue would be transferred to the FWP general license account.

Senate Bill 21 – This bill authorizes counties to construct and maintain a veterans' cemetery, and allows the county to fund the cemetery via imposition of a property tax levy and acceptance of gifts, grants, or donations.

Senate Bill 295 – This bill provides the state statutory authorization for the Montana National Guard Youth Challenge Program. This program was begun via budget initiative in FY 2000 with federal and state funds.

Senate Bill 235 – Certified teachers employed by the Montana National Guard Youth Challenge Program are allowed by this legislation to receive the quality educator payment that is made to certified teachers employed by public school districts, the Montana School for the Deaf and Blind, and other qualifying education entities listed in 20-9-327, MCA. (See DP 205)

**Executive Budget Comparison**

The following table compares the legislative budget in the 2009 biennium with the 2007 biennium by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	172.90	182.15	182.15	0.00	182.15	182.15	0.00	
Personal Services	7,759,437	9,287,610	9,600,764	313,154	9,331,519	10,035,697	704,178	1,017,332
Operating Expenses	8,579,425	17,100,652	17,098,758	(1,894)	17,167,412	17,178,015	10,603	8,709
Equipment	207,305	344,305	344,305	0	307,305	307,305	0	0
Grants	937,260	1,412,260	1,412,260	0	1,412,260	1,412,260	0	0
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Total Costs	\$17,485,707	\$28,147,107	\$28,458,367	\$311,260	\$28,220,776	\$28,935,557	\$714,781	\$1,026,041
General Fund	4,662,368	5,355,000	5,441,177	86,177	5,309,309	5,526,511	217,202	303,379
State/Other Special	789,003	1,421,905	1,440,942	19,037	1,426,038	1,470,203	44,165	63,202
Federal Special	12,034,336	21,370,202	21,576,248	206,046	21,485,429	21,938,843	453,414	659,460
Total Funds	\$17,485,707	\$28,147,107	\$28,458,367	\$311,260	\$28,220,776	\$28,935,557	\$714,781	\$1,026,041

The 2009 biennium legislative budget includes approximately \$1.0 million more funding than included in the executive budget due to the 2009 biennium pay plan and retirement contributions (HB 13 and HB 131) and the quality educator component payment added to the budget as a result of SB 235.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	9.20	0.00	5.00	14.20	0.00	5.00	14.20	14.20
Personal Services	523,814	105,846	236,091	865,751	108,618	270,866	903,298	1,769,049
Operating Expenses	111,014	12,773	82,031	205,818	9,439	81,956	202,409	408,227
Equipment	0	0	25,000	25,000	0	0	0	25,000
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
<b>Total Costs</b>	<b>\$637,108</b>	<b>\$118,619</b>	<b>\$343,122</b>	<b>\$1,098,849</b>	<b>\$118,057</b>	<b>\$352,822</b>	<b>\$1,107,987</b>	<b>\$2,206,836</b>
General Fund	445,431	68,966	82,216	596,613	67,392	79,181	592,004	1,188,617
State/Other Special	0	0	0	0	0	0	0	0
Federal Special	191,677	49,653	260,906	502,236	50,665	273,641	515,983	1,018,219
<b>Total Funds</b>	<b>\$637,108</b>	<b>\$118,619</b>	<b>\$343,122</b>	<b>\$1,098,849</b>	<b>\$118,057</b>	<b>\$352,822</b>	<b>\$1,107,987</b>	<b>\$2,206,836</b>

**Program Description**

The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

**Program Highlights**

Centralized Services Division Major Budget Highlights	
♦	The legislature added a 1.00 FTE department information technology officer to the budget base, at a biennial cost of \$81,441 before pay plan costs
♦	One-time-only funding of \$25,000 was approved to purchase a new department server
♦	The legislature approved implementation of a new 100 percent federally funded K-12 academic outreach program to raise interest and improve knowledge of at-risk youth in math, science, and technology (4.00 FTE)

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Centralized Services Div						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 445,431</b>	<b>69.9%</b>	<b>\$ 596,613</b>	<b>54.3%</b>	<b>\$ 592,004</b>	<b>53.4%</b>
01100 General Fund	445,431	69.9%	596,613	54.3%	592,004	53.4%
<b>03000 Total Federal Special Funds</b>	<b>191,677</b>	<b>30.1%</b>	<b>502,236</b>	<b>45.7%</b>	<b>515,983</b>	<b>46.6%</b>
03132 National Guard	174,955	27.5%	467,352	42.5%	479,190	43.2%
03134 Disaster & Emergency Services	16,722	2.6%	34,884	3.2%	36,793	3.3%
<b>Grand Total</b>	<b>\$ 637,108</b>	<b>100.0%</b>	<b>\$ 1,098,849</b>	<b>100.0%</b>	<b>\$ 1,107,987</b>	<b>100.0%</b>

The Centralized Services Division is primarily funded with general fund. The federal-state agreements between the Department of Military Affairs and the associated federal agencies have identified costs of positions that provide support

to federally funded activities as applicable for federal funding. During the base year, federal funds accounted for approximately 30 percent of the funding for the division. For the 2009 biennium, federal funds would support 46 percent. The increased federal fund share is attributable to a \$500,000 new proposal that is 100 percent federal funds.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2008						Fiscal 2009				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					132,080					134,970
Vacancy Savings					(26,234)					(26,352)
Inflation/Deflation					174					236
Fixed Costs					12,599					9,203
<b>Total Statewide Present Law Adjustments</b>					<b>\$118,619</b>					<b>\$118,057</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$118,619</b>					<b>\$118,057</b>

### New Proposals

New Proposals										
Fiscal 2008						Fiscal 2009				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Upgrade Department Server - OTO										
01	0.00	25,000	0	0	25,000	0.00	0	0	0	0
DP 102 - Department Information Technology Officer										
01	1.00	40,702	0	0	40,702	1.00	40,739	0	0	40,739
DP 103 - Funding for National Guard STARBASE Program										
01	4.00	0	0	250,000	250,000	4.00	0	0	250,000	250,000
DP 6013 - 2009 Biennium Pay Plan - HB 13										
01	0.00	16,109	0	9,638	25,747	0.00	38,013	0	22,327	60,340
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
01	0.00	405	0	1,268	1,673	0.00	429	0	1,314	1,743
<b>Total</b>	<b>5.00</b>	<b>\$82,216</b>	<b>\$0</b>	<b>\$260,906</b>	<b>\$343,122</b>	<b>5.00</b>	<b>\$79,181</b>	<b>\$0</b>	<b>\$273,641</b>	<b>\$352,822</b>

DP 101 - Upgrade Department Server - OTO - The legislature included \$25,000 general fund to update the department's server. The server supports all statewide information technology needs. This server is also used to provide support to other state agencies in the event of a disaster or emergency. The current server was purchased in 2002.

DP 102 - Department Information Technology Officer - The legislature included the executive budget proposal for a 1.00 FTE as a dedicated staff position to meet the department's information technology needs for LAN administration, web site maintenance, and management requirements. This position would support planning, installation, and maintenance of computer work stations for 180 FTE, the department server, internet servers, and local and wide area networks.

DP 103 - Funding for National Guard STARBASE Program - Federal special revenue authority totaling \$500,000 was approved to support the National Guard STARBASE Program, an academic outreach program for K-12 youth that incorporates a fast paced curriculum of hands-on activities, classroom experiments, and support from volunteer experts within the National Guard and the community. This program is 100 percent federal funds.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	47.40	0.25	0.00	47.65	0.25	0.00	47.65	47.65
Personal Services	1,708,699	199,884	68,907	1,977,490	205,772	167,027	2,081,498	4,058,988
Operating Expenses	1,119,889	66,800	15,180	1,201,869	61,354	15,210	1,196,453	2,398,322
<b>Total Costs</b>	<b>\$2,828,588</b>	<b>\$266,684</b>	<b>\$84,087</b>	<b>\$3,179,359</b>	<b>\$267,126</b>	<b>\$182,237</b>	<b>\$3,277,951</b>	<b>\$6,457,310</b>
General Fund	1,131,462	81,631	39,124	1,252,217	85,223	71,494	1,288,179	2,540,396
Federal Special	1,697,126	185,053	44,963	1,927,142	181,903	110,743	1,989,772	3,916,914
<b>Total Funds</b>	<b>\$2,828,588</b>	<b>\$266,684</b>	<b>\$84,087</b>	<b>\$3,179,359</b>	<b>\$267,126</b>	<b>\$182,237</b>	<b>\$3,277,951</b>	<b>\$6,457,310</b>

### Program Description

The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of University of Montana - Western in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

### Program Highlights

Youth Challenge Program Major Budget Highlights	
◆	Base funding was approved for substitute teachers (0.25 FTE)
◆	Quality per educator payments were included for certified teaching staff at the Youth Challenge Program, approximately \$15,000 each year

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Challenge Program						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 1,131,462</b>	<b>40.0%</b>	<b>\$ 1,252,217</b>	<b>39.4%</b>	<b>\$ 1,288,179</b>	<b>39.3%</b>
01100 General Fund	1,131,462	40.0%	1,252,217	39.4%	1,288,179	39.3%
<b>03000 Total Federal Special Funds</b>	<b>1,697,126</b>	<b>60.0%</b>	<b>1,927,142</b>	<b>60.6%</b>	<b>1,989,772</b>	<b>60.7%</b>
03132 National Guard	1,697,126	60.0%	1,927,142	60.6%	1,989,772	60.7%
<b>Grand Total</b>	<b>\$ 2,828,588</b>	<b>100.0%</b>	<b>\$ 3,179,359</b>	<b>100.0%</b>	<b>\$ 3,277,951</b>	<b>100.0%</b>

The Youth Challenge Program is funded with general fund and federal special revenue at a 60/40 federal to state funding ratio for most costs. Some travel and special projects required by the federal/state cooperative agreement are funded 100 percent from federal funds.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					270,121					276,215
Vacancy Savings					(79,152)					(79,396)
Inflation/Deflation					774					840
Fixed Costs					12,026					6,514
<b>Total Statewide Present Law Adjustments</b>					<b>\$203,769</b>					<b>\$204,173</b>
DP 203 - ChalleNGE Substitute Teachers	0.25	3,566	0	5,349	8,915	0.25	3,581	0	5,372	8,953
DP 204 - Fed Spen Auth for ChalleNGe Trav and Spec Projects	0.00	0	0	54,000	54,000	0.00	0	0	54,000	54,000
<b>Total Other Present Law Adjustments</b>	<b>0.25</b>	<b>\$3,566</b>	<b>\$0</b>	<b>\$59,349</b>	<b>\$62,915</b>	<b>0.25</b>	<b>\$3,581</b>	<b>\$0</b>	<b>\$59,372</b>	<b>\$62,953</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$266,684</b>					<b>\$267,126</b>

DP 203 - ChalleNGE Substitute Teachers - The legislature approved a permanent 0.25 FTE aggregate position and funding for part-time substitute teachers. Currently these employees are accounted for in a temporary position and are not in the base. The decision package is funded with federal funds and general fund at the 60/40 federal/state ratio.

DP 204 - Fed Spen Auth for ChalleNGe Trav and Spec Projects - The legislature added \$54,000 additional federal spending authority each year of the biennium for program employees to participate in required training classes set forth in the federal/state cooperative agreement and to complete special projects necessary to fulfill the program's mission. These federal funds do not require any state matching funds.

### New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 205 - Quality Per Educator Component										
02	0.00	15,180	0	0	15,180	0.00	15,210	0	0	15,210
DP 6013 - 2009 Biennium Pay Plan - HB 13										
02	0.00	21,832	0	42,853	64,685	0.00	54,071	0	108,563	162,634
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
02	0.00	2,112	0	2,110	4,222	0.00	2,213	0	2,180	4,393
<b>Total</b>	<b>0.00</b>	<b>\$39,124</b>	<b>\$0</b>	<b>\$44,963</b>	<b>\$84,087</b>	<b>0.00</b>	<b>\$71,494</b>	<b>\$0</b>	<b>\$110,743</b>	<b>\$182,237</b>

DP 205 - Quality Per Educator Component - This decision package funds implementation of SB 235, a bill that includes certified teachers employed by the Montana National Guard Youth Challenge Program to receive the quality educator payment that is made to certified teachers employed by public school districts, the Montana School for the Deaf and Blind, and other qualifying education entities listed in 20-9-327, MCA.



DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	250,000	0	0	250,000	0	0	250,000	500,000
<b>Total Costs</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$500,000</b>
General Fund	250,000	0	0	250,000	0	0	250,000	500,000
<b>Total Funds</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$500,000</b>

**Program Description**

The Montana National Guard Scholarship Program provides scholarships of up to \$500 per semester to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

**Program Highlights**

National Guard Scholarships Program Major Budget Highlights	
♦	The legislature continued the present law budget for this program

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Scholarship Program							
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009	
<b>01000 Total General Fund</b>	<b>\$ 250,000</b>	<b>100.0%</b>	<b>\$ 250,000</b>	<b>100.0%</b>	<b>\$ 250,000</b>	<b>100.0%</b>	
01100 General Fund	250,000	100.0%	250,000	100.0%	250,000	100.0%	
<b>Grand Total</b>	<b>\$ 250,000</b>	<b>100.0%</b>	<b>\$ 250,000</b>	<b>100.0%</b>	<b>\$ 250,000</b>	<b>100.0%</b>	

This program is funded 100 percent from general fund.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	37.30	0.00	1.00	38.30	0.00	1.00	38.30	38.30
Personal Services	1,804,265	269,337	131,730	2,205,332	277,016	216,599	2,297,880	4,503,212
Operating Expenses	5,273,661	6,314,277	12,000	11,599,938	6,351,526	12,000	11,637,187	23,237,125
Equipment	107,305	100,000	0	207,305	100,000	0	207,305	414,610
<b>Total Costs</b>	<b>\$7,185,231</b>	<b>\$6,683,614</b>	<b>\$143,730</b>	<b>\$14,012,575</b>	<b>\$6,728,542</b>	<b>\$228,599</b>	<b>\$14,142,372</b>	<b>\$28,154,947</b>
General Fund	1,199,610	(30,035)	4,871	1,174,446	(26,443)	11,063	1,184,230	2,358,676
State/Other Special	0	0	12,000	12,000	0	12,000	12,000	24,000
Federal Special	5,985,621	6,713,649	126,859	12,826,129	6,754,985	205,536	12,946,142	25,772,271
<b>Total Funds</b>	<b>\$7,185,231</b>	<b>\$6,683,614</b>	<b>\$143,730</b>	<b>\$14,012,575</b>	<b>\$6,728,542</b>	<b>\$228,599</b>	<b>\$14,142,372</b>	<b>\$28,154,947</b>

### Program Description

The Army National Guard until federalized is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

### Program Highlights

Army National Guard Program Major Budget Highlights	
♦	There is a significant budget increase due to increased federal funds in the 2009 biennium
♦	\$6.6 million federal funds are added for facility maintenance
♦	\$3.9 million federal funds are added for range and training equipment and maintenance
♦	\$1.7 million federal funds are added to acquire national guard installation security from civilian security firm
♦	1.00 FTE communications specialist was approved to operate and maintain two-way interactive video conferencing

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Army National Guard Pgm						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 1,199,610</b>	<b>16.7%</b>	<b>\$ 1,174,446</b>	<b>8.4%</b>	<b>\$ 1,184,230</b>	<b>8.4%</b>
01100 General Fund	1,199,610	16.7%	1,174,446	8.4%	1,184,230	8.4%
<b>02000 Total State Special Funds</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>0.1%</b>	<b>12,000</b>	<b>0.1%</b>
02101 Distance Learning	-	-	12,000	0.1%	12,000	0.1%
<b>03000 Total Federal Special Funds</b>	<b>5,985,621</b>	<b>83.3%</b>	<b>12,826,129</b>	<b>91.5%</b>	<b>12,946,142</b>	<b>91.5%</b>
03132 National Guard	5,984,381	83.3%	12,826,129	91.5%	12,946,142	91.5%
03413 Veterans Cemetery	1,240	0.0%	-	-	-	-
<b>Grand Total</b>	<b>\$ 7,185,231</b>	<b>100.0%</b>	<b>\$ 14,012,575</b>	<b>100.0%</b>	<b>\$ 14,142,372</b>	<b>100.0%</b>

The Army National Guard is primarily funded with a combination of general fund and federal funds. Funding depends on how a facility is used and the costs to operate and maintain a facility, and can be funded: 1) entirely with state funds; 2) entirely with federal funds; or 3) as a shared responsibility, with federal funds at 75 percent and general fund at 25 percent (service contract buildings). When a facility is owned by the state and located on state land, maintenance costs are the responsibility of the state and utility costs are split evenly with the federal government. When a facility is state owned but located on federal land, the maintenance costs are funded 75 percent federal and 25 percent general fund, but utility costs are funded 100 percent general fund. When a facility is classified as a logistics facility, the funding is 100 percent federal funds for the entire facility. Federally owned facilities located on federal land and those that serve training missions are predominantly funded 100 percent with federal funds, except when the building is used as an armory. Armories constructed with federal funds and located on federal land are funded 100 percent general fund for maintenance and 50 percent federal and 50 percent general fund for utilities costs. When armories are rented to groups, the state special revenue funds generated from rental fees are used to augment general fund support of the facilities.

During the base year, general fund accounted for 17 percent of overall expenditures within the Army National Guard Program. This general fund percentage decreases to eight percent of overall expenditures in the 2009 biennium budget, primarily because \$12 million of federal funds are added for three projects that are funded 100 percent from federal funds.

State special revenue authority is added in the 2009 biennium to allow the department to charge non-departmental users of the statewide two-way interactive video conferencing network a fee for using the network.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2008-----					-----Fiscal 2009-----						
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					355,736					363,737	
Vacancy Savings					(86,399)					(86,721)	
Inflation/Deflation					230,445					244,829	
Fixed Costs					21,362					(12,482)	
Total Statewide Present Law Adjustments					\$521,144						\$509,363
DP 1201 - Operational Support for New ARNG Facilities	0.00	33,416	0	68,561	101,977	0.00	40,555	0	84,414	124,969	
DP 1202 - Army Guard Funding & Authority for Maintenance	0.00	0	0	3,275,082	3,275,082	0.00	0	0	3,275,082	3,275,082	
DP 1203 - Federal Army Security Spending Authority	0.00	0	0	842,946	842,946	0.00	0	0	876,663	876,663	
DP 1205 - Federal Range & Training Spending Authority.	0.00	0	0	1,942,476	1,942,476	0.00	0	0	1,942,476	1,942,476	
DP 6015 - State Motor Pool Rate Change	0.00	0	0	(11)	(11)	0.00	0	0	(11)	(11)	
Total Other Present Law Adjustments											
	0.00	\$33,416	\$0	\$6,129,054	\$6,162,470	0.00	\$40,555	\$0	\$6,178,624	\$6,219,179	
Grand Total All Present Law Adjustments					\$6,683,614						\$6,728,542

DP 1201 - Operational Support for New ARNG Facilities - The legislature added \$73,971 general fund and \$152,975 federal funds for operations and maintenance funds for Army National Guard facilities that came on line during or after the base year. Additional services include janitorial services, utilities, ground maintenance, and code required inspections such as fire sprinkler and fire alarm inspections necessary to operate the facilities throughout the year.

DP 1202 - Army Guard Funding & Authority for Maintenance - The legislature included \$3,275,082 federal special revenue authority per fiscal year of the 2009 biennium for continued maintenance and repair of the state's National Guard facilities. The federal government provided \$3,275,082 in both FY 2006 and FY 2007 for this maintenance and repair.

DP 1203 - Federal Army Security Spending Authority - The legislature added \$1.7 million federal special spending authority to fund 100 percent of the cost of Army National Guard Bureau installation security obtained from civilian security service. The security service contract will provide 24/7 security of Army National Guard installations in Montana. In the past, the installation security for the Army National Guard was provided with national guard members. The National Guard Bureau has changed this process and all future security will be provided by a civilian security service. The department used both appropriation authority from the general appropriations act and budget amendment authority in the base year to expend the federal funds. This adjustment appropriates all spending authority in this bill.

DP 1205 - Federal Range & Training Spending Authority. - The legislature increased the Army National Guard operating budget by \$1,942,476 each year of the 2009 biennium to expend additional federal funds on range and training area equipment. The federal government provided \$1,942,476 in both FY 2006 and FY 2007 to support these training requirements.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

## New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1204 - 100% Federally Funded Communications Specialist										
12	1.00	0	12,000	51,521	63,521	1.00	0	12,000	51,570	63,570
DP 6013 - 2009 Biennium Pay Plan - HB 13										
12	0.00	4,697	0	73,231	77,928	0.00	10,882	0	151,793	162,675
DP 6014 - Retirement Employer Contributions -- HB 63 & HB 13										
12	0.00	174	0	2,107	2,281	0.00	181	0	2,173	2,354
Total	1.00	\$4,871	\$12,000	\$126,859	\$143,730	1.00	\$11,063	\$12,000	\$205,536	\$228,599

DP 1204 - 100% Federally Funded Communications Specialist - The legislature added federal funds for a 1.00 FTE position as well as state special revenue spending authority to provide for two-way interactive video conferencing. The position would be responsible for the testing, trouble shooting, problem resolution, and quality assurance of all interactive video conferences. The Montana National Guard has established a two-way interactive military conferencing network that is also available for use by state agencies, local governments, and other authorized groups. The department has a state special revenue fund to allow the network to accept funds for shared use. These funds would be used to replace equipment during life cycle management.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions -- HB 63 & HB 13 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	33.00	0.00	1.00	34.00	0.00	1.00	34.00	34.00
Personal Services	1,697,251	240,312	112,337	2,049,900	258,395	184,561	2,140,207	4,190,107
Operating Expenses	1,317,069	1,614,768	0	2,931,837	1,677,610	0	2,994,679	5,926,516
<b>Total Costs</b>	<b>\$3,014,320</b>	<b>\$1,855,080</b>	<b>\$112,337</b>	<b>\$4,981,737</b>	<b>\$1,936,005</b>	<b>\$184,561</b>	<b>\$5,134,886</b>	<b>\$10,116,623</b>
General Fund	308,370	66,831	3,959	379,160	70,169	9,134	387,673	766,833
Federal Special	2,705,950	1,788,249	108,378	4,602,577	1,865,836	175,427	4,747,213	9,349,790
<b>Total Funds</b>	<b>\$3,014,320</b>	<b>\$1,855,080</b>	<b>\$112,337</b>	<b>\$4,981,737</b>	<b>\$1,936,005</b>	<b>\$184,561</b>	<b>\$5,134,886</b>	<b>\$10,116,623</b>

### Program Description

The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

### Program Highlights

Air National Guard Program Major Budget Highlights	
♦	There is a significant budget increase due to increased federal funds in the 2009 biennium
♦	\$2.9 million federal funds were added for switching to a civilian security service for installation security
♦	\$0.6 million federal funds were added for firefighter overtime
♦	\$0.1 million general fund was added for statewide present law adjustments and 25 percent share of utility costs relating to new space in the 2009 biennium
♦	1.00 FTE budget manager was approved at an annual pre-pay plan cost of \$55,000, funded 100 percent from federal funds

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Air National Guard Pgm						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 308,370</b>	<b>10.2%</b>	<b>\$ 379,160</b>	<b>7.6%</b>	<b>\$ 387,673</b>	<b>7.5%</b>
01100 General Fund	308,370	10.2%	379,160	7.6%	387,673	7.5%
<b>03000 Total Federal Special Funds</b>	<b>2,705,950</b>	<b>89.8%</b>	<b>4,602,577</b>	<b>92.4%</b>	<b>4,747,213</b>	<b>92.5%</b>
03132 National Guard	2,705,950	89.8%	4,602,577	92.4%	4,747,213	92.5%
<b>Grand Total</b>	<b>\$ 3,014,320</b>	<b>100.0%</b>	<b>\$ 4,981,737</b>	<b>100.0%</b>	<b>\$ 5,134,886</b>	<b>100.0%</b>

The Air National Guard Program is funded primarily from federal National Guard funds, which comprise 92 percent of the 2009 biennium budget. General fund contributes the remaining eight percent. Federal funds increase significantly from the 2007 biennium to the 2009 biennium, reflecting additional federal funds for security, budget management, utility costs, and firefighter overtime.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				9,806						18,580
Vacancy Savings				(68,280)						(68,636)
Inflation/Deflation				96,205						103,723
Fixed Costs				7,873						4,107
<b>Total Statewide Present Law Adjustments</b>				<b>\$45,604</b>						<b>\$57,774</b>
DP 1301 - Utility Funding for New ANG Facilities										
0.00	18,581	0	55,742	74,323	0.00	20,380	0	61,142	81,522	
DP 1304 - Federal Spending Authority for Fire Fighter OT										
0.00	0	0	298,786	298,786	0.00	0	0	308,451	308,451	
DP 1305 - Federal Spending Authority for ANG Security										
0.00	0	0	1,436,367	1,436,367	0.00	0	0	1,488,258	1,488,258	
<b>Total Other Present Law Adjustments</b>										
<b>0.00</b>	<b>\$18,581</b>	<b>\$0</b>	<b>\$1,790,895</b>	<b>\$1,809,476</b>	<b>0.00</b>	<b>\$20,380</b>	<b>\$0</b>	<b>\$1,857,851</b>	<b>\$1,878,231</b>	
<b>Grand Total All Present Law Adjustments</b>				<b>\$1,855,080</b>						<b>\$1,936,005</b>

DP 1301 - Utility Funding for New ANG Facilities – The legislative budget includes \$38,961 general fund match and \$116,884 in federal spending authority for the 2009 biennium for utility cost adjustments related to new space at the Montana Air National Guard. All new building construction is 100 percent federally funded. Utilities are funded 75 percent federal and 25 percent general fund.

DP 1304 - Federal Spending Authority for Fire Fighter OT – The legislative budget adds \$607,237 federal spending authority for the overtime salary and benefit costs incurred by the Air National Guard fire fighters in Great Falls. Overtime costs are zero based and not carried forward in the agency's base budget. This cost is funded 100 percent from federal funds.

DP 1305 - Federal Spending Authority for ANG Security - The legislative budget adds \$2.9 million federal special spending authority to fund 100 percent of the cost of Air National Guard installation security obtained from civilian security service. The security service contract will provide 24/7 security of aircraft and facilities at the 120<sup>th</sup> Fighter Wing in Great Falls. In the past, the installation security for the Air National Guard was provided with National Guard members. The National Guard Bureau has changed this process and all future security will be provided by a civilian security service on a contract basis.



**New Proposals**

New Proposals										
Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1303 - Federal Authority for ANG Budget Management										
13	1.00	0	0	55,374	55,374	1.00	0	0	55,444	55,444
DP 6013 - 2009 Biennium Pay Plan - HB 13										
13	0.00	3,834	0	51,677	55,511	0.00	9,000	0	118,617	127,617
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
13	0.00	125	0	1,327	1,452	0.00	134	0	1,366	1,500
Total	1.00	\$3,959	\$0	\$108,378	\$112,337	1.00	\$9,134	\$0	\$175,427	\$184,561

DP 1303 - Federal Authority for ANG Budget Management – The legislature approved an additional \$55,400 federal authority each year to provide 100 percent federal funding for an additional 1.00 FTE financial management position.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	23.00	0.00	0.00	23.00	0.00	0.00	23.00	23.00
Personal Services	1,009,282	273,243	43,599	1,326,124	277,687	96,367	1,383,336	2,709,460
Operating Expenses	215,642	129,889	39,000	384,531	120,416	39,000	375,058	759,589
Equipment	0	0	12,000	12,000	0	0	0	12,000
Grants	937,260	210,000	265,000	1,412,260	210,000	265,000	1,412,260	2,824,520
<b>Total Costs</b>	<b>\$2,162,184</b>	<b>\$613,132</b>	<b>\$359,599</b>	<b>\$3,134,915</b>	<b>\$608,103</b>	<b>\$400,367</b>	<b>\$3,170,654</b>	<b>\$6,305,569</b>
General Fund	644,806	99,827	337,710	1,082,343	99,976	351,731	1,096,513	2,178,856
State/Other Special	63,416	270,992	0	334,408	270,992	0	334,408	668,816
Federal Special	1,453,962	242,313	21,889	1,718,164	237,135	48,636	1,739,733	3,457,897
<b>Total Funds</b>	<b>\$2,162,184</b>	<b>\$613,132</b>	<b>\$359,599</b>	<b>\$3,134,915</b>	<b>\$608,103</b>	<b>\$400,367</b>	<b>\$3,170,654</b>	<b>\$6,305,569</b>

**Program Description**

The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24-hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

**Program Highlights**

Disaster and Emergency Services Division Major Budget Highlights	
♦	Operating expenses for an incident command vehicle, \$15,000 general fund annually, were included in the legislative budget
♦	Funding to sustain regional hazardous materials response teams, \$290,000 general fund annually, was approved by the legislature
♦	One-time-only funding was approved to upgrade geographic information systems hardware and software that is used for evacuation planning and emergency response

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Disaster & Emergency Ser						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 644,806</b>	<b>29.8%</b>	<b>\$ 1,082,343</b>	<b>34.5%</b>	<b>\$ 1,096,513</b>	<b>34.6%</b>
01100 General Fund	644,806	29.8%	1,082,343	34.5%	1,096,513	34.6%
<b>02000 Total State Special Funds</b>	<b>63,416</b>	<b>2.9%</b>	<b>334,408</b>	<b>10.7%</b>	<b>334,408</b>	<b>10.5%</b>
02156 Sar Des Dfwf Fees	26,463	1.2%	100,000	3.2%	100,000	3.2%
02170 Sar Des Off Road Vehicles	22,545	1.0%	100,000	3.2%	100,000	3.2%
02180 Emergency Preparedness Summit	-	-	80,000	2.6%	80,000	2.5%
02335 Des Training Conference	14,408	0.7%	54,408	1.7%	54,408	1.7%
<b>03000 Total Federal Special Funds</b>	<b>1,453,962</b>	<b>67.2%</b>	<b>1,718,164</b>	<b>54.8%</b>	<b>1,739,733</b>	<b>54.9%</b>
03134 Disaster & Emergency Services	1,453,962	67.2%	1,718,164	54.8%	1,739,733	54.9%
<b>Grand Total</b>	<b>\$ 2,162,184</b>	<b>100.0%</b>	<b>\$ 3,134,915</b>	<b>100.0%</b>	<b>\$ 3,170,654</b>	<b>100.0%</b>

The Disaster and Emergency Services Division is supported with general fund, state special revenue, and federal special revenue. Disaster coordination functions focusing on specifically identified hazards or functions are usually funded 100 percent with federal funds. The disaster coordination functions that provide support to communities and contribute to the overall mission of the division are usually funded on a 50/50 basis with general fund and federal special revenue. This bill increases general fund 61 percent in the 2009 biennium from the 2007 biennium and funds a portion of the statewide present law adjustment.

State special revenue is fee revenue from division-sponsored workshops and conferences and is used to support these functions. Other state special revenue includes fees from snowmobile and off road vehicle decals to support local search and rescue organizations. This bill increases state special revenue spending authority approximately \$491,000 in the 2009 biennium to allow for increased activity in these areas.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				305,844					310,478
Vacancy Savings				(52,601)					(52,791)
Inflation/Deflation				893					972
Fixed Costs				39,057					29,506
<b>Total Statewide Present Law Adjustments</b>				<b>\$293,193</b>					<b>\$288,165</b>
DP 2107 - State Special Authority for DES									
0.00	0	120,000	0	120,000	0.00	0	120,000	0	120,000
DP 2108 - State Special Authority for Search & Rescue									
0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 6015 - State Motor Pool Rate Change									
0.00	(18)	0	(43)	(61)	0.00	(18)	0	(44)	(62)
<b>Total Other Present Law Adjustments</b>									
<b>0.00</b>	<b>(\$18)</b>	<b>\$320,000</b>	<b>(\$43)</b>	<b>\$319,939</b>	<b>0.00</b>	<b>(\$18)</b>	<b>\$320,000</b>	<b>(\$44)</b>	<b>\$319,938</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$613,132</b>					<b>\$608,103</b>

DP 2107 - State Special Authority for DES - The legislature increased the budget \$120,000 state spending authority per year to provide necessary reimbursements through the Emergency Management Assistance Compact and account for expenditures at the annual Governor's emergency preparedness summit.

DP 2108 - State Special Authority for Search & Rescue - The legislature approved \$200,000 per year of state special revenue authority to reimburse county sheriffs for search and rescue mission costs, training, and equipment. Funding comes from two statutory sources established under 87-1-601, MCA, through Fish Wildlife and Parks and 15-1-122(3)(g), MCA, through vehicle licensing fees.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

### New Proposals

New Proposals										
Program	FTE	Fiscal 2008				FTE	Fiscal 2009			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 2104 - Operating Expenses for Incident Command Vehicle										
21	0.00	15,000	0	0	15,000	0.00	15,000	0	0	15,000
DP 2106 - Upgrade GIS Hardware and Software OTO										
21	0.00	12,000	0	0	12,000	0.00	0	0	0	0
DP 2109 - Funding for Sustainment of Regional HazMat Teams										
21	0.00	290,000	0	0	290,000	0.00	290,000	0	0	290,000
DP 6013 - 2009 Biennium Pay Plan - HB 13										
21	0.00	19,974	0	21,197	41,171	0.00	45,948	0	47,919	93,867
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
21	0.00	736	0	692	1,428	0.00	783	0	717	1,500
Total	0.00	\$337,710	\$0	\$21,889	\$359,599	0.00	\$351,731	\$0	\$48,636	\$400,367

DP 2104 - Operating Expenses for Incident Command Vehicle - The legislature approved \$15,000 general fund each year to cover operating expenses for an incident command vehicle that was purchased with federal homeland security funds. Operating expenses include fixed expenses, such as insurance and satellite phone/data service, repair, and maintenance and operational deployments for training and exercise purposes.

DP 2106 - Upgrade GIS Hardware and Software OTO - One-time-only funding is included in the bill for \$12,000 in FY 2008 to purchase upgraded geographical information system (GIS) equipment used for evacuation planning and emergency response. The state standard for replacement of computer hardware is based on a four-year life cycle. The current hardware for running GIS software is six years old. Hardware was updated to run the software and manipulate the increased volumes of data to produce accurate and timely products.

DP 2109 - Funding for Sustainment of Regional HazMat Teams - The legislature added \$290,000 general fund in each year of the biennium which would be passed through the department and divided among each of the six regional state hazardous materials (HazMat) teams. This funding would be used to sustain the interoperability efforts of the six regional teams, coordinate response with entities outside their local government jurisdiction, and for the maintenance and update of assigned state equipment used in hazardous materials response. The department would retain \$25,000 of this funding to support basic individual training for local responders in weapons of mass destruction/HazMat awareness, decontamination, and HazMat incident command.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	23.00	0.00	2.00	25.00	0.00	2.00	25.00	25.00
Personal Services	1,016,126	53,415	106,626	1,176,167	58,227	155,125	1,229,478	2,405,645
Operating Expenses	292,150	17,615	215,000	524,765	15,079	215,000	522,229	1,046,994
Equipment	100,000	0	0	100,000	0	0	100,000	200,000
<b>Total Costs</b>	<b>\$1,408,276</b>	<b>\$71,030</b>	<b>\$321,626</b>	<b>\$1,800,932</b>	<b>\$73,306</b>	<b>\$370,125</b>	<b>\$1,851,707</b>	<b>\$3,652,639</b>
General Fund	682,689	6,144	17,565	706,398	4,301	40,922	727,912	1,434,310
State/Other Special	725,587	64,886	304,061	1,094,534	69,005	329,203	1,123,795	2,218,329
Federal Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$1,408,276</b>	<b>\$71,030</b>	<b>\$321,626</b>	<b>\$1,800,932</b>	<b>\$73,306</b>	<b>\$370,125</b>	<b>\$1,851,707</b>	<b>\$3,652,639</b>

**Program Description**

The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City and at Fort Harrison, in Helena. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

**Program Highlights**

Veterans' Affairs Division Major Budget Highlights	
♦	The legislature approved state special revenue to fund maintenance activities and purchases at the state veterans' cemeteries -- \$430,000
♦	Two additional veterans' service officer positions to serve Native American veterans were approved by the legislature at an annual pre-pay plan cost of \$69,570, funded from veterans' state special revenue from vehicle registrations and license plate fees.

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Veterans Affairs Program						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 682,689</b>	<b>48.5%</b>	<b>\$ 706,398</b>	<b>39.2%</b>	<b>\$ 727,912</b>	<b>39.3%</b>
01100 General Fund	682,689	48.5%	706,398	39.2%	727,912	39.3%
<b>02000 Total State Special Funds</b>	<b>725,587</b>	<b>51.5%</b>	<b>1,094,534</b>	<b>60.8%</b>	<b>1,123,795</b>	<b>60.7%</b>
02214 Veterans Affairs Cemeteries	187,009	13.3%	387,012	21.5%	392,052	21.2%
02548 Veterans Affairs Sb401	538,578	38.2%	657,522	36.5%	681,743	36.8%
02550 Ft Harr Va Cemetery Donations	-	-	10,000	0.6%	10,000	0.5%
02551 Ft Harr Va Cemetery Plot Allow	-	-	15,000	0.8%	15,000	0.8%
02552 Estrn Mt Va Cemetery Plot All	-	-	15,000	0.8%	15,000	0.8%
02553 Estrn Mt Va Cemetery Donations	-	-	10,000	0.6%	10,000	0.5%
<b>Grand Total</b>	<b>\$ 1,408,276</b>	<b>100.0%</b>	<b>\$ 1,800,932</b>	<b>100.0%</b>	<b>\$ 1,851,707</b>	<b>100.0%</b>

The Veterans' Affairs Division is funded with general fund and state special revenue from a \$0.50 veterans' services fee on light vehicle registrations and issuance of a patriotic license plate, both authorized by SB 401 passed by the 2003 Legislature. Cemetery operations are fully funded by state special revenue received primarily from the sale of veterans' license plates with a smaller portion being received from donations and cemetery plot allowances.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					97,979					102,990
Vacancy Savings					(44,564)					(44,763)
Inflation/Deflation					14,051					15,176
Fixed Costs					4,566					937
<b>Total Statewide Present Law Adjustments</b>					<b>\$72,032</b>					<b>\$74,340</b>
DP 6015 - State Motor Pool Rate Change	0.00	(548)	(454)	0	(1,002)	0.00	(566)	(468)	0	(1,034)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$548)</b>	<b>(\$454)</b>	<b>\$0</b>	<b>(\$1,002)</b>	<b>0.00</b>	<b>(\$566)</b>	<b>(\$468)</b>	<b>\$0</b>	<b>(\$1,034)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$71,030</b>					<b>\$73,306</b>

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

### New Proposals

New Proposals										
-----Fiscal 2008-----					-----Fiscal 2009-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3101 - VA Cemetery State Special Spending Authority										
31	0.00	0	215,000	0	215,000	0.00	0	215,000	0	215,000
DP 3102 - State Special Spending Authority for Native VSO										
31	2.00	0	69,570	0	69,570	2.00	0	69,570	0	69,570
DP 6013 - 2009 Biennium Pay Plan - HB 13										
31	0.00	16,971	18,891	0	35,862	0.00	40,295	44,008	0	84,303
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
31	0.00	594	600	0	1,194	0.00	627	625	0	1,252
<b>Total</b>	<b>2.00</b>	<b>\$17,565</b>	<b>\$304,061</b>	<b>\$0</b>	<b>\$321,626</b>	<b>2.00</b>	<b>\$40,922</b>	<b>\$329,203</b>	<b>\$0</b>	<b>\$370,125</b>

DP 3101 - VA Cemetery State Special Spending Authority - The legislature added \$215,000 a year in state special revenue to fund unanticipated maintenance and repair or to purchase or repair maintenance equipment at the state veteran's cemeteries in Helena and Miles City.

DP 3102 - State Special Spending Authority for Native VSO - The legislature included \$69,570 state special spending authority each year for two additional veterans' service officer positions to be titled native veterans' service officers. Funding is from the veterans' services special revenue account, which receives revenue from the \$0.50 veterans' services fee assessed on all light vehicle registrations and issue and renewal fees from the patriotic license plates.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.